This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 07 TEL AVIV 007023

SIPDIS

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WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
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USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
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JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

12. Iran: Nuclear Program

Key stories in the media:

Israel TV and Israel Radio reported that Secretary of State Condoleezza Rice praised PM Sharon's courageous moves in an interview with CNN, as, in the words of both stations' Washington correspondent Yaron Dekel, "she knows well that he stands for reelection in Israel."

Yediot (lead story) and other media reported that on Tuesday, Defense Minister Shaul Mofaz instructed the IDF to prepare for an expected wave of terror from the Gaza Strip. Yediot quoted Mofaz as saying: "The PA does not function. There is no guiding hand [there]." Israel Radio quoted him as saying that the situation will worsen. Major media (banner in Ha'aretz) reported that on Sunday, after a Qassam rocket fired from Gaza landed not far from an Israel Electric Corporation plant south of Ashkelon, Israel told the PA that it planned to shut off power in Gaza for two hours early Monday morning, as a warning of things to come if the Qassam fire did not stop. However, implementation was indefinitely postponed to give the main Palestinian hospital in Gaza time to purchase emergency generators. The media reported that one of the Qassam rockets fired on Tuesday landed on an army base in Israel. Ha'aretz reported that the IDF has promised that the industrial zone south of Ashkelon will be connected to the Red Dawn rocket launch warning system within two weeks. Israel Radio reported that at a meeting with Egyptian intelligence chief Omar Suleiman today, Mofaz was expected to ask him to pressure the PA to act against the terror organizations. Israel Radio reported that an IDF soldier was lightly wounded during a clash with Palestinians in Jenin this morning.

Israel Radio reported that this morning, newly elected Likud chairman Binyamin Netanyahu told the Likud's Knesset faction that he would ask the party to place FM Silvan Shalom as No. 2 on the Likud's Knesset list. Israel Radio reported that the Likud's Knesset faction will meet today to determine the date of the party's withdrawal from the government. Leading media reported that Netanyahu tends to accept the Likud ministers' wish to stay in the government until January 3, the date of the internal elections in the Likud. The media (Maariv's banner) quoted Netanyahu as saying in the last few days that he will look into ways to oust Moshe Feiglin, the head of the far-right Jewish Leadership faction in the party, from the Likud. The media also quoted Netanyahu as saying that he would strive to free the party from criminal elements that infiltrated it.

The Jerusalem Post reported that, marking a shift in Israel's position on Hamas's participation in the Palestinian legislative elections in January senior Israeli diplomatic official told the newspaper on Tuesday that Israel will likely pull troops back from

West Bank cities and lift roadblocks even if Hamas takes part in the elections. Ha'aretz reported that senior Israeli officials have told Veronique de Keyser, who heads a delegation of European election observers, that Israel will not enable voting for the PA's legislative elections to take place in East Jerusalem because of Hamas's participation. The newspaper quoted the officials as saying this week that because Israel objects to Hamas's participation in the elections, it is not willing to allow voting to take place in sovereign Israeli territory. Ha'aretz cited the belief of Israeli officials that the PA may use Israel's opposition to balloting in East Jerusalem as a pretext for postponing the elections, as PA Chairman [President] Mahmoud Abbas is already under growing pressure from his own party to do so. Leading Israeli news web sites and Israel Radio quoted PA Information Minister Nabil Shaath as saying this morning that the PA will cancel the elections if Israel goes ahead with its plan to bar Jerusalem Palestinians from voting.

Leading media cited a GOI statement that President Bush told Sharon in a phone conversation on Tuesday to eat less, work less, and exercise more. The media also reported that Egyptian President Hosni Mubarak called Sharon on Tuesday. Yediot and Maariv reported that talking with foreign reporters on Tuesday, Italian PM Silvio Berlusconi invited Sharon to rest in his Sardinian holiday home Maariv quoted Berlusconi as saying that he succeeded in totally changing Italy's attitude toward Israel.

Ha'aretz quoted IDF Intelligence chief Maj. Gen. Aharon Zeevi-Farkash as saying on Tuesday before the Knesset's Foreign Affairs and Defense Committee that tensions along the northern border could escalate in the coming months and lead to artillery barrages and attempts to abduct Israeli soldiers. The Jerusalem Post quoted him as saying that Iran posed a substantial threat to Israel's security, and that the U.S. was "stuck in the mud" in dealing with the situation. Major media quoted Zeevi-Farkash as testifying to the committee that Iran has procured 12 3,000-km range cruise missiles capable of carrying nuclear warheads. Yediot and other media reported that Iran has recently purchased 18 North Korean-made missiles, and that it is upgrading their range to 2,500 to 3,500-km. Yediot cited German intelligence as the source for its report. Ha'aretz reported that Avigdor Lieberman, the head of the rightwing Yisrael Beiteinu party, told a group of Ha'aretz reporters on Tuesday that a committee of inquiry should be established to investigate the government's behavior with regard to the Iranian nuclear threat. Lieberman was quoted as saying that Israel could have stopped the Iranian plan "in one blow" in 2001, but that it may be too late today.

Israel Radio and leading news web sites reported that this morning, Palestinian gunmen abducted two foreign citizens -- Belgian and Dutch nationals -- teaching at the American School in Gaza.

The Jerusalem Post reported that Sharon wants to appoint five new ministers from Kadima to his cabinet as early as Sunday, but that he is waiting first to see when Netanyahu intends to force Likud ministers to quit.

Israel Radio reported that two Shin Bet investigators will visit the U.S. in four months in order to testify in the case of Muhammad Salah, who is suspected of smuggling money to Hamas. Israel deported Salah to the U.S. seven years ago after he spent five years in an Israeli jail.

The Jerusalem Post quoted the head of the Disengagement Authority, Yonatan Bassi, as saying on Tuesday that the cost of the disengagement program from Gaza is likely to be 1 billion shekels (around USD 217.5 million) less than expected.

Leading media reported that the Labor Party decided on Tuesday that the party's more than 100,000 registered voters will vote for the party's Knesset list on January 17. The media reported that the convention overwhelmingly rejected a change in the voting method that would have allowed the 4,000 convention delegates to choose the party's list of candidates. Ha'aretz reported that Labor Party supporters in New York intend to invite Labor Party Chairman Amir Peretz to the U.S. to introduce him to the local Jewish community.

Maariv reported that 1.3 million web surfers -- mostly from Germany, France and Japan -- have visited the Foreign Ministry's web site since the beginning of the year.

Maariv reported that during the weekend, customs and tax officials in Jerusalem arrested Tel Aviv resident Itai Benzino [phon.], who is suspected of having led a ring of smugglers of steroids and pharmaceuticals to the U.S. The investigators found in his possession USD 500,000 in cash.

Ha'aretz cited an American Jewish Committee-commissioned survey of American Jews, which found that some 59 percent of U.S. Jews have never visited Israel. While half of those who have never visited Israel said the trip's cost has been the main deterrent, 20 percent said they avoided the country for fear for their own safety, and 18 percent said it was due to "lack of interest."

¶1. Mideast:

Summary:

Independent, left-leaning Ha'aretz editorialized:
"Moderates should not remain in the Likud, thereby lending a hand to obscuring the picture that is finally becoming clear."

Ultra-Orthodox Yated Ne'eman editorialized: "If Netanyahu could have 'made disappear' the bunch of [extremists] from the TV screens, and tried to sell the more moderate Knesset members [to the public], his task would have been easier."

Palestinian affairs correspondent and far-left Palestinian sympathizer Amira Hass opined in Ha'aretz: "[Hamas's] self-confident participation in the general election is based on three lies."

Block Quotes:

1. "The Likud Is Not Their Home"

Independent, left-leaning Ha'aretz editorialized (December 21): "Binyamin Netanyahu's victory in the Likud leadership primary positions this party close to the extreme right of the political map, very close to National Union, Yisrael Beiteinu and the National Religious Party -- the parties that opposed Prime Minister Ariel Sharon's plan to evacuate Gaza and the northern West Bank, which enjoyed the support of a large majority of the Israeli public... [Netanyahu's] platform won -- both his economic platform and, perhaps even more, his diplomatic platform, which rejects progress toward a compromise between Israel and an independent Palestinian state, at the price of a large withdrawal from the West Bank. A majority of Israelis support such a compromise. But three out of every five Likud members, if you combine Moshe Feiglin's supporters with those of Netanyahu, oppose it, thereby distancing the party from the public center of gravity.... It is therefore not clear what Silvan Shalom is doing in such a party.... During his three years as foreign minister, Shalom played a positive role, primarily in conducting diplomatic relations between Israel and the world outside the White House. The improvement in Israel's position was achieved largely thanks to its willingness to withdraw from Gaza, and to talk with the Palestinian leadership following Yasser Arafat's death.... The main benefit of the recent political 'big bang' has been a more accurate reflection of fundamental positions. Thus moderates should not remain in the Likud, thereby lending a hand to obscuring the picture that is finally becoming clear."

II. "Netanyahu's Problems"

Ultra-Orthodox Yated Ne'eman editorialized (December 21): "The Likud knows that the only way to bring an increasing number of voters to the party is to place it at the center of the [political] map, with a slight leaning to the right -- no more. In a process that might perhaps only be explained by psychology, it is actually the withdrawal from Gaza -- with all the related problems that appear daily -- that a growing public from the classical 'Right' detached itself [from the Likud].... If Netanyahu could have 'made disappear' the bunch of [extremists] from the TV screens, and tried to sell the more moderate Knesset members [to the public], his task would have been easier."

III. "On the Three Lies of Hamas"

Palestinian affairs correspondent and far-left

Palestinian sympathizer Amira Hass opined in Ha'aretz (December 21): "[Hamas's] self-confident participation in the general election is based on three lies. The first lie Hamas has disseminated is that the Gaza Strip has been liberated.... The second lie is that Gaza was 'liberated' thanks to the Palestinian armed struggle, especially that of Hamas, and that this is the surefire formula for the West Bank as well.... The third lie is that the upcoming elections, in contrast to the 1996 elections in which Hamas refused to participate, have already been cut off from the Oslo framework and are therefore 'kosher.' But it was the Oslo Accords that determined that Palestinian leadership elections would take place in Gaza and the West Bank (and not, for instance, among the Palestinian Diaspora as well). was the Oslo process -- even if not the language of the agreement -- that defined the PA council as a 'government.' And it was negotiations with Israel -which Hamas refuses to recognize -- and the mediation of donor nations that led to the establishment of governmental institutions, whose positions the Hamas movement is now planning to fill.

12. Iran: Nuclear Program:

Summary:

Zeev Maoz, Professor of Political Science at the University of California, Davis, and at Tel Aviv University, wrote in independent, left-leaning Ha'aretz: "Israel could bring real international pressure to bear if it were to initiate nuclear disarmament. It is mature enough and strong enough to consider the principle of 'he who dares, wins' not only by means of military initiatives, but also in the matter of diplomatic initiatives."

Block Quotes:

"Toward a Different Nuclear Policy"

Zeev Maoz, Professor of Political Science at the University of California, Davis, and at Tel Aviv University, wrote in independent, left-leaning Ha'aretz (December 21): "The contradiction inherent to the Israeli nuclear policy -- stoking the image of a nuclear deterrent capacity to whose effectiveness Israel itself does not subscribe -- requires a profound reexamination of the internal logic of this policy. The time has come to begin relating to Israel's nuclear image as a negotiating chip, and to seriously consider if a Middle East disarmed of weapons of mass destruction would not be preferable to a nuclear Middle East, or to a Middle East in which Israel possesses a nuclear monopoly. Israel could bring real international pressure to bear if it were to initiate nuclear disarmament. It is mature enough and strong enough to consider the principle of 'he who dares, wins' not only by means of military initiatives."

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